

Message Text

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ACTION EUR-12

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E.O. 11652: N/A

TAGS: EAIR, BENC, GR

SUBJECT: NEWSWEEK ARTICLE ON LOCKHEED

REF: ATHENS 1403 (DTG 131620Z FEB 76)

1. GREEK PRESS OF FEBRUARY 16-17 FRONTPAGES NEWSWEEK ACCOUNT OF ALLEGED LOCKHEED BRIBE FOR UNIDENTIFIED GREEK GENERAL DURING JUNTA PERIOD. ALL PAPERS ALSO REPORT STATEMENT BY DEFENSE MINISTRY THAT OFFICIAL INVESTIGATION IS IN PROGRESS TO IDENTIFY GREEK GENERAL NAMED BY NEWSWEEK. TO VIMA SPECULATES ON "COINCIDENCE" IN TIMING OF EBAY PROJECT AND GREEK ORDERS FOR LTV A7'S AND LOCKHEED C-130'S. TO VIMA FURTHER IMPLIES THAT FORMER VICE PRESIDENT SPIRO AGNEW MET FREQUENTLY WITH EX-GREEK NAVY CHIEF, ADMIRAL MARGARITIS, AND SHOULD BE INVESTIGATED FOR INVOLVEMENT IN LOCKHEED CASE.

2. PRESS ACCOUNTS ABOVE FOLLOW EARLIER PUBLICITY IN
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WEEKEND PRESS LINKING REPORTED LOCKHEED ACTIVITIES AND

CONTRACT FOR EBAY. KKE-INTERIOR DEPUTIES DRACOPOULOS AND KYRKOS HAVE SUBSEQUENTLY REQUESTED THAT ALL DOCUMENTS RELATING TO LOCKHEED CASE BE DEPOSITED IN PARLIAMENT. OTHER DEPUTIES WHO HAD EARLIER OPPOSED EBAY HAVE ALSO RECEIVED SOME PUBLICITY BY LABELING PROJECT "SCANDALOUS" AND "REPROACHABLE."

3. COMMENT: SPECIFIC REFERENCE TO GREECE IN NEWSWEEK ARTICLE IS EXPECTED TO GENERATE FURTHER PUBLICITY CONCERNING LOCKHEED AND US AIRCRAFT SALES IN GENERAL. THE EMBASSY HAS NO KNOWLEDGE OF ANY SPECIFIC TRANSACTIONS THAT MIGHT BE BASIS OF REPORT. AS CUSTOMARY, LOCAL GREEK AGENTS ARE KNOWN TO HAVE RECEIVED SIZEABLE COMMISSIONS ON SALE OF VARIOUS AIRCRAFT. FOR EXAMPLE, RETIRED HAF MAJ.GEN. NOW AGENT FOR LOCKHEED, C. EXARCHACOS, WILL RECEIVE APPROXIMATELY \$245,000 IN COMMISSION RESULTING FROM THE JUNE 1974 FMS SALE OF EIGHT C-130'S. THIS PAYMENT WAS, IN FACT, REPORTED IN THE GREEK PRESS IN EARLY OCTOBER 1975 BUT PUBLIC OPINION TENDED TO ACCEPT THAT SUCH COMMISSIONS ARE STANDARD AND THE ISSUE GENERATED LITTLE INTEREST. ADDITIONALLY, EXARCHACOS HAS RECEIVED AN ESTIMATED \$125,000 COMMISSION ON FOUR DIRECT SALE C-130'S, AS WELL AS A MONTHLY RETAINER FROM LOCKHEED SINCE 1962.

4. THEORETICALLY, OF COURSE, SOME PERCENTAGE OF SUCH AGENT COMMISSIONS COULD HAVE BEEN OFFERED TO THIRD PARTIES IN ORDER TO OBTAIN CONTRACTS FOR ANY SUPPLIER, BUT IF SUCH A TRANSACTION OCCURRED (AND WE HAVE NO KNOWLEDGE OF ANY) IT WOULD HAVE BEEN STRICTLY BETWEEN GREEK NATIONALS, WITHOUT THE US COMPANIES NECESSARILY EVEN KNOWING ABOUT IT.

5. ACTION REQUESTED: EMBASSY WOULD APPRECIATE RECEIVING BY CABLE TEXT OF NEWSWEEK REFERENCE TO GREECE.
KUBISCH

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